

April 27, 2022

Recruit Holdings Announces Recording of Gain on a Sale of Shares of Subsidiaries and Associates in the Company's Non-consolidated Financial Results

TOKYO, JAPAN (April 27, 2022) - Recruit Holdings Co., Ltd. (TSE 6098) (the "Company") announces today that as part of the previously announced going private transaction of 51job, Inc. (NASDAQ:JOBS) ("51job") by a group of investors (the "Investors") and the Company (the "Transaction"), the Company is expected to record a gain on the sale of shares of subsidiaries and associates of 37 billion yen in the non-consolidated financial results for the year ending March 31, 2023.

51job, headquartered in Shanghai, is an equity-method associate of the Company in which the Company beneficially owns an approximately 34.8% stake, including in the form of American Depositary Shares.

The Company had entered into definitive agreements with 51job and the Investors regarding the Transaction on June 21, 2021, and such agreements were amended on March 1, 2022. On April 27, 2022, the Transaction was approved at the extraordinary general meeting of shareholders of 51job.

As part of the Transaction, the Company is expected to receive convertible bonds with total par value of 226 million US dollars and cash of 304 million US dollars, as consideration for a portion of its existing investment in 51job common shares. For the convertible bonds, the amount corresponds to the book value of the Company's investment in 51job common shares and the receipt of convertible bonds does not impact the Company's profit for the period. 37 billion yen out of all cash received is expected to be recorded as extraordinary gains in the non-consolidated financial results for the year ending March 31, 2023.

The amount of the gain is a current estimate and is subject to change due to the impact of foreign exchange rates and other factors.

On a consolidated basis, the financial impact of the amount of common shares transferred and the total amount of convertible bonds and cash received, is considered a reduction of investment. Therefore, the impact of the Transaction on the Company's consolidated financial results for the fiscal year ending March 31, 2023 is expected to be immaterial.

Completion of the Transaction is subject to the satisfaction or waiver of the conditions precedent to the Transaction set forth in the definitive agreements. The Company will work with the Investors and 51job towards satisfying all other conditions precedent to the Transaction and completing the Transaction as quickly as possible.

After the completion of the Transaction, the Company's shareholding in 51job is expected to be approximately 39.9% of outstanding shares and approximately 45.4% on a fully diluted basis including the convertible bonds. 51job is expected to remain an equity-method associate of the Company.

This press release is prepared solely for the purpose of disclosing the Company's information to its shareholders and other stakeholders and does not intend to provide any information for investment to 51job. For the details of the going-private transaction of 51job, please refer to the related disclosure documents prepared under the United States Securities Act of 1934 and filed with the United States Securities and Exchange Commission.



Forward-Looking Statements

This document contains forward-looking statements, including statements related to the proposed going private transaction of 51job and the Company's participation in the transaction, which reflect the Company's assumptions and outlook for the future based on information available to the Company and the Company's plans and expectations as of the date of this document or other date indicated. There can be no assurance that the relevant forward-looking statements will be achieved. Please note that significant differences between the forward-looking statements and actual results may arise due to various factors, including risks and uncertainties as to the expected timing, conditions to closing and expected costs and benefits to the Company of the proposed going private transaction; additional risks and uncertainties regarding the proposed transaction that are discussed in documents filed with the SEC by 51job, the Company and other members of the investor group, including the Schedule 13E-3 and proxy statement; changes in economic conditions, changes in individual users' preferences and business clients' needs, competition, changes in the legal and regulatory environment, fluctuations in foreign exchange rates; and other factors. Accordingly, readers are cautioned against placing undue reliance on any such forward-looking statements. The Company has no obligation to update or revise any information contained in this document based on any subsequent developments except as required by applicable law or stock exchange rules and regulations.

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